

## PUBLIC APPEAL

### **the adoption of the law on the liberalisation of capital and financial incentive undermines anti-corruption efforts and discourages honest taxpayers and state servants**

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The civil society organisations draw the attention of the Parliament, the Government, the general public and Moldova's development partners to the legislative initiatives [no. 451](#) and [no. 452](#) registered in the Parliament on 1 December 2016. These initiatives provide for "capital liberalization", i.e. exemption from any liability of individuals and companies that have not declared their properties in return for their declaration by 15 April 2017 and subsequent payment of 2% from the value of undeclared property to the state budget. The above-mentioned initiatives also introduce a ban on sanctioning of the public servants for not having declared these properties.

Our reaction is determined by the sensitive and dual nature of the foregoing initiatives, insufficient approach to the subject and foremost by their impact on society. Besides the effects reflected in the informative notes, which are not grounded and do not foresee economic, administrative and fiscal impact, we express our strong concerns that such initiatives would lead to a total amnesty of those who have illegally acquired their property, especially of the state servants.

Fighting corruption is the first priority of Filip Government Program. In 2016, important laws have been adopted aimed at strengthening the fight against corruption. Development partners have heavily invested in justice sector reforms, preventing and combating corruption in Moldova and strengthening anti-corruption authorities. It would appear logical under such circumstances for the Government to be concerned with the efficient operation of the relevant authorities so as to hold accountable those state servants who have illegally acquired their properties.

If the legislative initiatives no. 451 and no. 452 are adopted, it will be impossible to sanction the companies and the individuals, especially state servants, who have not declared or declared at reduced values their properties. On the other hand, these initiatives reduce to zero the efficiency of the legislative amendments known as "Integrity Package", adopted by the Parliament a few months ago and reported by the authorities as a great success in fighting corruption. Moreover, it will allow corrupt officials to keep their public functions and will discourage honest taxpayers and state servants. Additionally, the draft laws do not contain a sufficient reasoning.

We point out that between 2007 and 2008, the Government granted a tax and capital amnesty, draining the state budget of 4 billion lei. In the period 2012-2016, through several theft and embezzlement schemes, many Government representatives became, either directly or through intermediaries, beneficiaries of such irregularities. Among them – the one billion dollars theft, the airport concession, the money laundering schemes through the banking system, acquisitions through affiliated companies, trading operations through phantom companies in the energetic sector, property takeover through raider attacks etc. Since 2013 a law on indirect methods of taxation is in force, which has not been applied so far. This has not allowed investigating the undeclared income and properties, as well as has drained the state budget of considerable revenues.

**The signatory organizations consider inadmissible the adoption of draft laws no. 451 and no. 452, as they legalise irregularities and undermine the efforts of fighting corruption and building rule of law in Moldova.**

**Signatories:**

1. Asociația Micului Business;
2. Asociația pentru Democrație Participativă "ADEPT";
3. Asociația pentru Guvernare Eficientă și Responsabilă;
4. Asociația pentru Politică Externă;
5. Asociația Presei Independente;
6. Asociația BIOS;
7. Business Consulting Institute;
8. Centru de Investigații Jurnalistice;
9. Centrul de Analiză și Prevenire a Corupției;
10. Centrul de Asistență Juridică pentru Persoane cu Dezabilități;
11. Centrul de resurse DIALOG-Pro;
12. Centrul de Resurse Juridice din Moldova;
13. Centrul Național de Mediu;
14. Centrul pentru Politici și Analize în Sănătate;
15. Confederația Națională a Patronatului din Republica Moldova;
16. Consiliul Național al Tineretului din Moldova;
17. Eco-TIRAS;
18. Expert-Grup;
19. Fundația Est-Europeană;
20. IDIS Viitorul;
21. Institutul de Dezvoltare Urbană;
22. Institutul de Instruire în Dezvoltare "MilleniuM";
23. Institutul de Politici Publice;
24. Mișcarea Ecologistă din Moldova;
25. Promo-Lex;
26. Centrul de Reabilitare a Victimelor Torturii „Memoria”;
27. Centrul Regional de Mediu Moldova;
28. TERA1530;
29. Transparency International – Moldova.

**Contact person:**

Lilia Carasciuc,

Executive Director,

Transparency International Moldova,

E-mail: [office@transparency.md](mailto:office@transparency.md),

Tel.: (373-22) 203-484, 203-485